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November 19, 2001

m/47/013

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Reply to:

Vernal Office

VIA FAX & US MAIL

State of Utah Division of Oil, Gas and Mining Attn: D. Wayne Hedberg P.O. Box 145801 Salt Lake City Utah 84114-5801

RE: Ziegler Chemical and Mineral Corporation

Dear Mr. Hedberg:

As per our telephone conversation, we are writing to request an extension of time to submit the Ziegler replacement surety to the Division of Oil, Gas and Mining. Ziegler is having difficulty in locating an insurance company that is willing to write a \$400,000 surety and so they are exploring the possibility of a bond for \$250,000 in addition to the \$150,000 bond they currently hold.

Ziegler is currently corresponding with their agent in New York and have located a insurance company that may be willing to write the additional bond to cover reclamation. We request that a 30 day extension be allowed for Ziegler's replacement surety and will submit the bond as soon as possible. Thank you for your understanding, and we will keep in contact with you.

Very truly yours,

McKEACHNIE, ALLRED, McCLELLAN & TROTTER, P.C.

Gayle F. McKeachnie

cc: Gordon Zeigler, President
Bill Hyland, Finance
Stan Wagner, Mine Superintendent

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DIVISION OF OIL, GAS AND MINING